

REFERENCE TITLE: capital outlay; fiscal year 2006-2007

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

## **SB 1565**

Introduced by  
Senators Burns, Bee, Bennett (with permission of committee on Rules)

AN ACT

AMENDING LAWS 2005, CHAPTER 298, SECTION 7; MAKING CAPITAL OUTLAY  
APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE  
INSTITUTIONS; REQUIRING CERTAIN REPORTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Laws 2005, chapter 298, section 7 is amended to read:

Sec. 7. Department of economic security; property conveyance; privatized lease to own; appropriation

A. The sum of \$150,000 is appropriated from the state general fund in fiscal year 2005-2006 to the department of economic security for a property ~~exchange~~ CONVEYANCE with the city of Prescott AND REAL PROPERTY ACQUISITION COSTS. Before executing any property ~~exchange~~ CONVEYANCE pursuant to this subsection, the department of economic security shall submit the ~~property exchange~~ agreement to the joint committee on capital review for its review.

B. The department of economic security may effect a capital lease to build a multiservice center on the property acquired ~~through the exchange~~ as authorized in subsection A of this section. Any lease agreement pursuant to this section is subject to section 41-1958, Arizona Revised Statutes, including review by the joint committee on capital review.

C. IF THE DEPARTMENT OF ECONOMIC SECURITY CONVEYS REAL PROPERTY LOCATED AT 234 GROVE AVENUE IN PRESCOTT TO THE CITY OF PRESCOTT, SUBJECT TO SECTION 37-803, ARIZONA REVISED STATUTES, THE DEPARTMENT MAY RETAIN ANY PROCEEDS OF THE CONVEYANCE AND USE THOSE PROCEEDS FOR MOVING COSTS AND TO ACQUIRE REAL PROPERTY FOR THE PURPOSE OF PROVIDING OFFICE SPACE FOR THE DEPARTMENT AT SUCH PLACES AS THE DIRECTOR DEEMS NECESSARY AND SUITABLE PURSUANT TO SECTION 41-1958, ARIZONA REVISED STATUTES.

D. ANY UNEXPENDED PROCEEDS OF THE PROPERTY CONVEYANCE DO NOT LAPSE TO THE STATE GENERAL FUND UNTIL THE PURPOSE FOR WHICH THE FUNDS ARE AUTHORIZED HAS BEEN ACCOMPLISHED OR ABANDONED OR THE APPROPRIATION STANDS FOR A FULL FISCAL YEAR WITHOUT AN EXPENDITURE OR AN ENCUMBRANCE.

E. THE APPROPRIATION MADE IN SUBSECTION A OF THIS SECTION IS EXEMPT FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING OF APPROPRIATIONS.

Sec. 2. Capital outlay appropriations: major maintenance and repair of state buildings

A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the amounts appropriated in this section are appropriated for fiscal year 2006-2007 and shall be used by the applicable agency for major maintenance and repair activities for state buildings in accordance with title 41, chapter 4, article 7, Arizona Revised Statutes. Twenty-five per cent or less of the monies may be spent for state building modifications to comply with the federal Americans with disabilities act (42 United States Code sections 12101 through 12213 and 47 United States Code sections 225 and 611) or for major maintenance and repair activities for state infrastructure. The monies may be used only for facilities on the state building inventory or for infrastructure that directly supports those facilities. Of the amounts appropriated to the department of administration, up to \$275,000 in personal services and employee-related expenditures for up to five full-time equivalent positions may be allocated each fiscal year until the building

1 renewal projects are completed. All other monies appropriated in this  
 2 section shall not be spent for personal services or employee-related  
 3 expenditures or for maintenance contracts on building components and  
 4 equipment without review by the joint committee on capital review. Any  
 5 monies appropriated for building renewal in fiscal year 2006-2007 that are  
 6 unexpended or unencumbered on December 31, 2007 shall revert to the fund from  
 7 which the monies were appropriated. The building renewal expenditure plans  
 8 submitted by agencies for review by the joint committee on capital review  
 9 shall identify the components for each project that incorporate energy  
 10 efficient systems.

11 B. ARIZONA BOARD OF REGENTS \$ 20,000,000

12 Fund source:

13 State general fund \$ 20,000,000

14 The Arizona board of regents shall require each university to establish  
 15 a major maintenance and repair account for deposit of amounts allocated by  
 16 the board to the university from the appropriation made in this subsection.  
 17 Amounts deposited in this account shall only be used for the purposes  
 18 provided in subsection A of this section.

19 C. DEPARTMENT OF ADMINISTRATION \$ 7,249,200

20 Fund sources:

21 State general fund \$ 3,849,200

22 Capital outlay stabilization fund \$ 3,400,000

23 The department of administration shall allocate the monies to state  
 24 agencies for necessary building renewal. If monies in the capital outlay  
 25 stabilization fund are insufficient to fund the appropriation to the  
 26 department of administration for building renewal, the appropriation to the  
 27 department of administration shall be reduced by the difference between the  
 28 amount appropriated to the department of administration from the capital  
 29 outlay stabilization fund and the balance in the capital outlay stabilization  
 30 fund.

31 D. DEPARTMENT OF TRANSPORTATION \$ 3,702,900

32 Fund sources:

33 State highway fund \$ 3,627,100

34 State aviation fund \$ 75,800

35 E. ARIZONA EXPOSITION AND STATE FAIR BOARD \$ 1,508,400

36 Fund source:

37 Arizona exposition and state fair fund \$ 1,508,400

38 F. GAME AND FISH DEPARTMENT \$ 430,800

39 Fund source:

40 Game and fish fund \$ 430,800

1	G. ARIZONA LOTTERY COMMISSION	\$ 53,600
2	Fund source:	
3	State lottery fund	\$ 53,600
4	Sec. 3. <u>Capital outlay appropriations: major capital projects:</u>	
5	<u>department of administration</u>	
6		<u>2006-2007</u>
7	Department of administration:	
8	1. <u>Prison cell locks and cell doors replacement</u>	\$ 5,200,000
9	Fund source:	
10	State general fund	\$ 5,200,000
11	2. <u>Yuma prison water treatment plant upgrade</u>	\$ 2,189,000
12	Fund source:	
13	Corrections fund	\$ 2,189,000
14	Total appropriation - department of administration	\$ 7,389,000
15	Fund sources:	
16	State general fund	\$ 5,200,000
17	Corrections fund	\$ 2,189,000
18	Sec. 4. <u>Capital outlay appropriations; major capital projects:</u>	
19	<u>game and fish department</u>	
20		<u>2006-2007</u>
21	Game and fish department:	
22	1. <u>Flood warning system</u>	\$ 350,000
23	Fund source:	
24	Game and fish capital improvement fund	\$ 350,000
25	2. <u>Black Canyon Dam modifications</u>	\$ 300,000
26	Fund source:	
27	Game and fish capital improvement fund	\$ 300,000
28	3. <u>Shooting range access improvements</u>	\$ 200,000
29	Fund source:	
30	Game and fish capital improvement fund	\$ 200,000
31	4. <u>Migratory waterfowl habitat</u>	\$ 100,000
32	Fund source:	
33	Waterfowl conservation fund	\$ 100,000
34	5. <u>Cluff ranch access improvements</u>	\$ 50,000
35	Fund source:	
36	Game and fish fund	\$ 50,000
37	6. <u>Yuma storage canopy</u>	\$ 35,000
38	Fund source:	
39	Game and fish fund	\$ 35,000
40	7. <u>Yuma office security system</u>	\$ 30,000
41	Fund source:	
42	Game and fish fund	\$ 30,000
43	8. <u>House rock driveway surfacing</u>	\$ 25,000
44	Fund source:	
45	Game and fish fund	\$ 25,000

1	9. <u>Statewide preventative maintenance</u>	\$ 15,000
2	Fund source:	
3	Game and fish fund	\$ 15,000
4	10. <u>Flagstaff office parking gate</u>	\$ 10,000
5	Fund source:	
6	Game and fish fund	\$ 10,000
7	11. <u>Yuma office fence</u>	\$ 10,000
8	Fund source:	
9	Game and fish fund	\$ 10,000
10	Total appropriation - game and fish department	\$ 1,125,000
11	Fund sources:	
12	Game and fish capital improvement fund	\$ 850,000
13	Game and fish fund	\$ 175,000
14	Waterfowl conservation fund	\$ 100,000
15	Sec. 5. <u>Capital outlay appropriations; major capital projects;</u>	
16	<u>department of transportation</u>	
17		<u>2006-2007</u>
18	Department of transportation:	
19	1. <u>Statewide highway construction</u>	\$226,273,000
20	Fund source:	
21	State highway fund	\$226,273,000
22	The amount appropriated for highway construction is from the state	
23	highway fund for the planning and construction of state highways, including	
24	the national system of interstate highways within this state, the state	
25	primary or secondary system, the county primary or secondary system and urban	
26	rural routes, the acquisition of rights-of-way, the cost of contracted field	
27	administration and field engineering on construction projects and debt	
28	service payments on bonds issued for highway construction. Any balances and	
29	collections in the state highway fund in excess of the specific amounts	
30	appropriated in the general appropriations act and in this act are	
31	appropriated to the department for the purposes provided in this paragraph.	
32	2. <u>Airport planning and development</u>	\$ 22,964,200
33	Fund source:	
34	State aviation fund	\$ 22,964,200
35	The amount is appropriated from the state aviation fund for the	
36	planning, construction, development and improvement of state, county, city or	
37	town airports as determined by the state transportation board. Any balances	
38	and collections in the state aviation fund in excess of the specific amounts	
39	appropriated in the general appropriations act and in this act are	
40	appropriated to the department of transportation for the purposes provided in	
41	this paragraph.	
42	3. <u>Glendale airport civil air patrol</u>	
43	<u>infrastructure improvements</u>	\$ 200,000
44	Fund source:	
45	State aviation fund	\$ 200,000

1	4. <u>Surprise motor vehicle division</u>	
2	<u>service center</u>	\$ 2,736,200
3	Fund source:	
4	State highway fund	\$ 2,736,200
5	5. <u>Asphalt storage tanks</u>	\$ 1,587,600
6	Fund source:	
7	State highway fund	\$ 1,587,600
8	6. <u>De-icer buildings</u>	\$ 1,478,000
9	Fund source:	
10	State highway fund	\$ 1,478,000
11	Total appropriation - department of transportation	\$255,239,000
12	Fund sources:	
13	State highway fund	\$232,074,800
14	State aviation fund	\$ 23,164,200

15 Sec. 6. Department of transportation reports; professional and  
 16 outside services

17 Before the expenditure of any monies for professional and outside  
 18 services, including contracted field administration and field engineering,  
 19 the department of transportation shall submit information on professional and  
 20 outside services funded from the capital budget to the joint committee on  
 21 capital review by July 1, 2006 for review. The submitted information shall  
 22 contain at least as much detail for professional and outside services as the  
 23 department's annual operating budget.

24 Sec. 7. Appropriations and distributions; microwave  
 25 communications system; department of public safety;  
 26 report

27 A. The sum of \$1,500,000 is appropriated from the state general fund  
 28 in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the  
 29 department of public safety for the design, construction and implementation  
 30 of a microwave communications system upgrade.

31 B. The sum of \$826,000 is appropriated from the state highway fund in  
 32 each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the department  
 33 of transportation for distribution to the department of public safety for the  
 34 design, construction and implementation of a microwave communications system  
 35 upgrade.

36 C. The sum of \$207,000 is appropriated from the game and fish fund in  
 37 each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the game and  
 38 fish department for distribution to the department of public safety for the  
 39 design, construction and implementation of a microwave communications system  
 40 upgrade.

41 D. The department of public safety shall submit an expenditure plan  
 42 and project timeline to the joint legislative budget committee for review  
 43 before expending any monies appropriated for the microwave communications  
 44 system upgrade. The submission shall include the results of the project  
 45 investment justification approval by the information technology authorization

committee. The department of public safety shall submit a report to the joint legislative budget committee for review regarding expenditures and progress by December 31, 2006 and June 30, 2007.

E. It is the intent of the legislature that \$1,600,000 of federal homeland security monies be distributed in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to fund the department of public safety microwave communications system upgrade.

F. Of the appropriations made in this section for the microwave communications system, the department of public safety may use up to \$295,600 annually for up to 4 FTE positions to provide project management.

Sec. 8. Appropriations; department of water resources; dam repair

A. The sum of \$1,500,000 is appropriated from the state general fund to the department of water resources in fiscal year 2006-2007 to repair the City of Williams Dam.

B. The appropriation made in subsection A of this section shall be used along with \$136,000 in local monies and in-kind contributions to repair the City of Williams Dam.

Sec. 9. Statewide transportation acceleration needs account; definition

A. The statewide transportation acceleration needs account is established as a separate account in the state highway fund. The account consists of all of the following:

1. Monies appropriated by the legislature.
2. Monies designated for deposit in the account by the board, a state agency or a political subdivision.
3. Monies received from the United States government for the purpose of accelerating transportation projects.
4. Monies received from political subdivisions, Indian tribes or this state or its agencies for the purpose of accelerating transportation projects.
5. Interest and other income received from investing monies in the account.
6. Gifts, grants, donations or other amounts received from any public or private source for deposit in the account for the purpose of accelerating transportation projects.

B. On notice from the board, the state treasurer shall invest and divest monies in the statewide transportation acceleration needs account as provided by section 35-313, Arizona Revised Statutes, and monies earned from investment shall be credited to the account.

C. The board may establish any subaccount in the statewide transportation acceleration needs account that the board determines is necessary or appropriate to carry out the purposes of this section.

D. If a governmental entity or a private person deposits monies in the statewide transportation acceleration needs account for acceleration of a

specific project and the appropriate regional planning agency or council of governments in cooperation with the board approves the project, the board shall designate the monies deposited by the governmental entity or private person solely for the project for which the monies are deposited.

E. Notwithstanding section 28-6993, Arizona Revised Statutes, and any other agreements entered into by the department for the distribution and expenditure of monies from the state highway fund, the board shall not approve any expenditures from the statewide transportation acceleration needs account unless the expenditure is made in accordance with this section and is for the construction or reconstruction of freeways, state highways, bridges and interchanges that are contained in the regional transportation plan of a county or the department's long-range statewide transportation plan pursuant to section 28-506, Arizona Revised Statutes. For the purposes of this subsection, a regional transportation plan is a twenty year comprehensive, performance based, multimodal and coordinated regional transportation plan that is approved for the county as provided by law and as amended or otherwise modified.

F. Monies in the statewide transportation acceleration needs account shall be used only to pay for the following costs of a transportation project approved pursuant to this section:

1. Materials and labor.
2. Acquisition of rights-of-way for highway needs.
3. Design and other engineering services that are within the scope of engineering practice as provided in title 32, chapter 1, Arizona Revised Statutes.
4. Other directly related costs approved by the board.

G. Monies in the statewide transportation acceleration needs account that are appropriated by the legislature shall be allocated as follows:

1. For a county with a population of at least one million two hundred thousand persons for the area included in the regional planning agency's transportation improvement plan, sixty per cent.
2. For a county with a population of more than five hundred thousand persons but less than one million two hundred thousand persons for the area included in the regional planning agency's transportation improvement plan, sixteen per cent.
3. For all other counties, twenty-four per cent.

H. The regional planning agency in a county designated as a transportation management area shall establish a process for the review and approval of transportation projects eligible to receive monies from the statewide transportation acceleration needs account. As part of its request to the board for monies, the regional planning agency shall ensure and submit evidence satisfactory to the board that any project costs not eligible for monies from the statewide transportation acceleration needs account are available and dedicated to the project. In all other counties, the department, in cooperation with the metropolitan planning organization or the



1 council of governments that has the authority to approve transportation  
2 projects for the county, shall develop requests for expenditure of monies  
3 from the statewide transportation acceleration needs account. As part of the  
4 request to the board for monies, the metropolitan planning organization or  
5 the council of governments for the department shall submit evidence  
6 satisfactory to the board that any project costs not eligible for monies from  
7 the statewide transportation acceleration needs account are available and  
8 dedicated to the project.

9 I. On receipt of a request for monies from the statewide  
10 transportation acceleration needs account, the board shall place the request  
11 on the agenda for the next regular business meeting of the board. The board  
12 shall review the request and, in cooperation with the regional planning  
13 agency, the metropolitan planning organization or the council of governments,  
14 approve the request or further modify the request before approval.

15 J. The board shall not approve the release of any monies from the  
16 statewide transportation acceleration needs account for a transportation  
17 project unless the board verifies that all costs related to construction of  
18 the project are covered.

19 K. Monies in the fund shall be used to supplement, not supplant,  
20 funding that would otherwise be made available for projects.

21 L. On or before July 1 of each year, the board shall submit a report  
22 of its activities pursuant to this section to the governor, the president of  
23 the senate and the speaker of the house of representatives and shall provide  
24 a copy of this report to the secretary of state, the director of the joint  
25 legislative budget committee and the director of the Arizona state library,  
26 archives and public records.

27 M. For the purposes of this section, "project" means the construction  
28 or reconstruction of a specific portion of a freeway or state highway or a  
29 bridge or interchange or a portion of a bridge or interchange that is  
30 constructed at a single location.

31 Sec. 10. Arizona state university; appropriations; east campus;  
32 lease-purchase

33 A. The sum of \$30,000,000 is appropriated from the state general fund  
34 in fiscal year 2006-2007 to Arizona state university for planning, design and  
35 construction of laboratory and classroom facilities at the east campus.

36 B. In accordance with section 15-1682.01, Arizona Revised Statutes,  
37 Arizona state university may enter into a twenty-five year lease-purchase  
38 agreement in fiscal year 2007-2008 for the issuance of certificates of  
39 participation in an amount not to exceed \$73,000,000 for the purposes of  
40 planning, designing and construction of laboratory, classroom and support  
41 facilities, as well as necessary infrastructure at the east campus.

42 Sec. 11. Appropriation; multipurpose facility

43 The sum of \$450,000 is appropriated from the state general fund in  
44 fiscal year 2006-2007 to the department of economic security to be combined  
45 with dollar for dollar matching monies from the Navajo nation for

distribution to the Navajo tribe for a multipurpose facility at the Dennehotso chapter.

Sec. 12. Prescott historical society; appropriation; maintenance facility

The sum of \$400,000 is appropriated from the state general fund in fiscal year 2006-2007 to the Prescott historical society to be combined with dollar for dollar matching monies from nonstate sources for planning, design and construction of a maintenance and workshop facility.

Sec. 13. Arizona state schools for the deaf and the blind; appropriation; new facilities and building renovations

A. The sum of \$19,000,000 is appropriated from the state general fund in fiscal year 2006-2007 to the Arizona state schools for the deaf and the blind for new facilities and building renovations at the Phoenix and Tucson campuses.

B. Before issuing any request for proposals or procuring any services related to the appropriation provided in subsection A of this section, the Arizona state schools for the deaf and the blind shall submit a preliminary expenditure plan and proposed procurement method or methods to the joint committee on capital review for its review.

C. Pursuant to section 41-1252, Arizona Revised Statutes, before undertaking any construction activities and after complying with subsection B of this section, the Arizona state schools for the deaf and the blind shall submit the scope, purpose and estimated cost of the projects to the joint committee on capital review for its review.

Sec. 14. Intersection improvements; fire suppression; appropriation

The sum of \$1,105,000 is appropriated from the state general fund in fiscal year 2006-2007 to the department of transportation for intersection improvements near the former Williams Air Force Base and a fire suppression system service line at Williams Gateway Airport.

Sec. 15. Use of appropriations; limitation

Unless otherwise specified, the monies appropriated in this act shall not be spent for personal services or employee-related expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities.

Sec. 16. Lapsing; exemption

Unless otherwise specified, the appropriations made in this act do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.